



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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March 31, 2010

Kathy Doerr, System Development Manager
Information Technology Services Agency
1200 Market Street, Room 214
St. Louis, MO 63103

RE: Follow-Up Review of the State Auditor Information Technology Services Agency
2009-37 (Project # 2010-35-7)

Dear Ms. Doerr:

A limited follow-up review has been completed on the report noted above. This follow-up review was made under authorization contained in Article XV, Section 2 of the Charter, City of St. Louis, as revised, and conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

A limited follow-up review does not necessarily involve detailed testing or verification. The review instead relies on communication with department management and staff, as well as limited observations.

The purpose of this follow-up review is to determine the status as of January 31, 2010, of findings in the report.

The findings below have been **resolved**:

1. Network Services Contract

- A. The Information Technology Services Agency (ITSA) conducted an RFP process for all professional service contracts during 2009 and followed the proper procurement process in regards to soliciting proposals, forming a selection committee, and documenting minutes and decisions made.
- B. ITSA management reviewed and updated their policies and procedures related to procurement of professional contracts, contract extensions, internal controls, and contractual costs in April 2009. ITSA has not approved any contract extensions since the State Audit. When contracts ended, ITSA utilized the RFP process and awarded work to new contractors.

- C. ITSA has two current contracts for internet and mainframe services. The Internal Audit Section (IAS) verified both contracts are in writing. There has not been a change in ownership or service provider since the contracts were established at the time of fieldwork.

The State Auditor's report recommended ITSA review billings received from and payments made to United Forensics and Access Forensics to determine any amounts owed and if the city should seek reimbursement for any improper payments. ITSA management has provided necessary information to the City Counselor's Office and litigation is ongoing.

ITSA has since filled two Programmer Analyst III positions to perform work that was being done by Access Forensics.

2. Other Contracts & Software Accounts

- A. ITSA conducted an RFP process for all professional service contracts during 2009.

Additionally, the number of hours that the mainframe support services contractor works has been reduced due to the completion of a multi-year conversion project.

- B. ITSA now requires professional service contractors to provide detailed invoices of services. ITSA reviews the invoices before payment, which includes agreeing services billed to the scope of work in the contract and reviewing dates of services. Discrepancies are followed up and resolved.
- C. ITSA utilizes a spreadsheet to monitor the expiration dates of contracts to ensure that the RFP process is initiated with sufficient lead time before the contract expiration.

If you have any questions, please contact the Internal Audit Section at (314) 622-4723.

Respectfully,



Dr. Kenneth M. Stone, CPA
Internal Audit Executive